

Preliminary for Review

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MARCH 24, 2008

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, Assistant State Architect
Charles Harrison, Comptroller's Office
Charles Garrett, Real Property Administration
Jurgen Bailey, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
John Carr, Finance & Administration
Cindy Liddell, Bond Finance
Carl Manka, Tennessee Board of Regents
Diane Uhler, Tennessee Board of Regents
Alvin Payne, University of Tennessee
Mark Wood, Secretary of State's Office
Mark Cherpack, Department of Finance and Administration
Mike Morrow, Department of Finance and Administration
Travis Johnson, Department of Finance and Administration

Cindy Tyler, Department of Mental Health and Developmental Disabilities
Ralph Mickle, Department of Mental Health and Developmental Disabilities
John Gregory, Tennessee Wildlife Resources Agency
Russ Deaton, THEC
Mike Baumstark, Department of Environment and Conservation
Fred Prouty, Tennessee Historical Commission
Nathan Burton, State Treasurer's Office
Annette Crutchfield, Legislative Budget
Ralph Knoll, The Conservation Fund
Jeff Roberts, Department of Human Services
Bob King, Real Property Administration
Mike Carlton, Department of Environment and Conservation
Karen Hale, Comptroller's Office

Commissioner Goetz called the meeting to order at 10:33 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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CONSENT AGENDA

Approved the following real property transactions which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Hamilton County
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals
- B. Agency: University of Tennessee – Hamilton County
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals
- C. Agency: University of Tennessee – Shelby County
Transaction: Disposal in fee
Provision: Waiver of advertisement & appraisals
- D. Agency: University of Tennessee – Shelby County
Transaction: Disposal in fee
Provision: Waiver of advertisement & appraisals
- E. Agency: University of Tennessee – Shelby County
Transaction: Acquisition by easement
Provision: Waiver of advertisement & appraisals
- F. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in fee
- G. Agency: Department of Transportation – Washington County
Transaction: Disposal in fee
Provision: Waiver of advertisement & one appraisal
- H. Agency: Department of Correction – Morgan County
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals
- I. Agency: Department of Environment & Conservation – Cumberland County
Transaction: Acquisition in fee
- J. Agency: Department of Environment & Conservation – Polk County
Transaction: Acquisition by lease

- K. Agency: Tennessee Wildlife Resources Agency – Fayette County
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals
- L. Agency: Tennessee Wildlife Resources Agency – Fayette County
Transaction: Acquisition in fee
- M. Agency: Tennessee Wildlife Resources Agency – Franklin County
Transaction: Acquisition in fee
Provision: Waiver of appraisal
- N. Agency: Tennessee Wildlife Resources Agency – Blount County
Transaction: Acquisition by easement
- O. Agency: Department of Children’s Services – Knox County
Transaction: Lease Agreement
- P. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Demolition – 205 N. Baird Street, Middle Tennessee State University
- Q. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Demolition – 2715 Middle Tennessee Blvd, Middle Tennessee State University
- R. Agency: University of Tennessee – Robertson County
Transaction: Demolition – Structure @ Highland Rim Research and Education Center

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT MARTIN, TENNESSEE

- 1) Approved a request for a revision in funding from \$1,900,000.00 to \$2,000,000.00 (\$100,000.00 increase) of a project for **Brehm Building Additions** at the University of Tennessee at Martin, and authorization to award a contract to Allen Searcy Builder-Contractor, in the amount of \$1,713,297.00, based on bids received February 27, 2008.

Revised Estimated Project Cost: \$2,000,000.00
SBC Project No. 540/011-06-2005

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TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Tennessee

- 1) Approved a request for a revision in and acknowledgment of the source of funding for **Several Buildings Roof Replacements** at Middle Tennessee State University in Murfreesboro, Tennessee.
Estimated Project Cost: \$1,368,000.00
SBC Project No. 166/009-04-2005
- 2) Approved a request for a revision in and acknowledgment of the source of funding for **Chilled Water Line Replacement** at Middle Tennessee State University in Murfreesboro, Tennessee.
Estimated Project Cost: \$920,000.00
SBC Project No. 166/009-03-2006
- 3) Approved a request for a revision in and acknowledgment of the source of funding for **Several Buildings System Replacements** at Middle Tennessee State University in Murfreesboro, Tennessee.
Estimated Project Cost: \$1,720,000.00
SBC Project No. 166/009-05-2002

Tennessee Technological University, Cookeville, Tennessee

- 1) Approved a request for a revision in the estimated project cost and funding from \$150,000.00 to \$162,000.00 (a \$12,000.00 increase) and acknowledgement of source of funding of the project for **Hyder-Burks Agriculture Pavilion RV Hookups** at Tennessee Technological University, Cookeville, and authorization to award a Construction Contract to Madewell Construction, Inc. in the amount of \$139,271.81 based upon the base bid received March 5, 2008.
Revised Estimated Project Cost: \$162,000.00
SBC Project No. 166/011-06-2007

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BOARD OF PROBATION & PAROLE

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Montgomery County – 100 Providence Blvd., Suite A, Clarksville, TN – Trans. No. 05-08-907 (RS)

Purpose: To provide additional office space due to increase of staff (6)

Term: October 1, 2008 thru September 30, 2018 (10 yrs)

Proposed Amount:	<u>9,941 Square Feet</u>		
	Annual Contract Rent:	\$118,217.00	@\$11.89/sf
	Est. Annual Utility Cost:	\$ 13,917.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 10,935.10</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$143,069.50	@\$14.39/sf

Current Amount:	<u>7,627 Square Feet</u>		
	Annual Contract Rent:	\$ 82,350.00	@\$10.80/sf
	Est. Annual Utility Cost:	\$ 10,677.80	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,389.70</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$101,417.50	@\$13.30/sf

Type: Amendment #1 - Negotiated

FRF Rate: \$18.00

Purchase Option: No

Lessor: Boot Hill Holdings, LLC

Comment: Amendment #1 due to increase additional space for six new staff. All other terms and conditions of the lease shall remain the same.

SSC Report: 03-17-08. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 03-24-08. Charles Garrett presented the transaction. The Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>White County – 689 +/- acres – Sparta City, TN – Trans. No. 08-02-010 (RJ)</u>
Purpose:	Acquisition in fee for the property will be Wetland addition to the Centennial Wilderness WMA.
Source of Funding:	TWRA - \$1,439,754.00 Tennessee Parks / Greenway - \$812,772.00
Estimated Cost:	Fair Market Value
Owner(s):	TN Parks & Greenways
Comment:	TN Parks & Greenways will receive a grant of \$812,772 from Heritage Conservation Trust Foundation Fund and offer the sale to the State.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	03-24-08. Charles Garrett presented the transaction and stated that the Heritage Conservation Trust Foundation Fund is a State-appropriated Foundation. Treasurer Sims stated that he and Secretary Darnell need to disclose that they are members of the Heritage Conservation Trust Foundation. He suggested that it might be good to have TWRA talk about the original vision at a future meeting. He said that he has been in several situations where people have discussed money flowing through the Heritage Trust Foundation and becoming a grant to the State. After further discussion, the Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Lake County – 1,017 +/- acres – Tiptonville City, TN – Trans. No. 07-07-018 (RJ)</u>
Purpose:	Acquisition in fee for the property will be wetland addition to the Tumbleweed WMA.
Source of Funding:	TWRA - \$2,942,663.00 Heritage Conservation Trust Fund - \$953,344.00
Estimated Cost:	Fair Market Value
Owner(s):	Billy Shaw
Comment:	State will receive a grant of \$953,344 from The Heritage Conservation Trust Foundation Fund to assist in acquisition.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	03-24-08. Charles Garrett presented the transaction. John Gregory said that there may be some NAWCA funds available to reduce the wetlands portion of funding. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Lake / Dyer Counties – 2,816 +/- acres – Tiptonville City / Dyersburg City, TN – Trans. No. 08-02-012 (RJ)</u>
Purpose:	Acquisition in fee for the property will be wetland addition to the Tumbleweed WMA.
Source of Funding:	TWRA - \$1,252,800 HCT Foundation - \$563,000 NAWCA - \$1,000,000
Estimated Cost:	Fair Market Value
Owner(s):	Heartwood Forestland
Comment:	State will receive a grant of \$563,000 from The Heritage Conservation Trust Foundation Fund and \$1,000,000 from NAWCA to assist in acquisition.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	03-24-08. Charles Garrett presented the transaction. After discussion, Mr. Garrett stated that TWRA, TDEC and F&A need to discuss the approval procedures for such transactions in the future. Subcommittee then approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hardeman & McNairy Counties – 643 +/- acres – Pocahontas, TN – Trans. No. 08-02-026 (FB)</u>
Purpose:	Acquisition in fee for this battlefield area retains much of the original appearance of the battlefield of David Bridge.
Source of Funding:	Heritage Conservation Trust Funds
Estimated Cost:	\$61,000.00 – State Land Acquisition Fund \$864,500.00 – Heritage Conservation Trust Fund
Owner(s):	Miller Lumber Company
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	03-24-08. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

DISCUSSION ITEM:

Department of Environment & Conservation (TDEC) would like to proceed to obtain permission for a third party, The Conservation Fund, to enter into negotiations with the owner of Timberland Investment Resources for approximately 4,400 acres in the Savage Gulf area adjoining the South Cumberland State Park. Any agreements would be brought back to Staff for further consideration and approval.

Description: Grundy County – 4,400 +/- acres – Altamont, TN – Trans No. 08-02-030 (FB)

SSC Report: 03-17-08. Jurgen Bailey summarized the transaction. Requested that the additional 10% above the appraised value be taken off the transaction request. Staff approved only to negotiate a price value on the land. Staff referred to Sub-Committee for discussion.

Funding: State Land Acquisition Funds - \$2,622,050.00
Heritage Conservation Trust Fund - \$3.5 million

SC Action: 03-24-08. Charles Garrett presented the transaction. He said that this is an important tract of land for State parks, but that they have come to a stalemate on an agreement upon a price. He stated that they would like approval to ask The Nature Conservancy to determine if they can make this transaction work. He added that any results would have to come back to the Subcommittee for approval. Comptroller Morgan asked if this would be a fee simple transaction, and Mr. Garrett responded that it would. The Subcommittee discussed the importance of appraised value, the taxes being paid by the current owner and the option of condemnation. The Subcommittee then approved the request as presented.

**DEPARTMENT OF MENTAL HEALTH &
DEVELOPMENTAL DISABILITIES**

LEASE ITEM

Review of a request for APPROVAL of the following DISPOSAL BY LEASE with WAIVER of ADVERTISEMENT and APPRAISALS of interest in the following real property:

Description: **Liberty County, Texas: 22.79 +/- net mineral acres. Trans. No. 07-12-013 (FB)**

Purpose: Request to accept rebid for expired oil, gas, and mineral lease.

Term: Two (2) years with additional one (1) year option.

Amount: \$250.00 per net mineral acre for a total of \$5,698.14 for the two (2) year lease. If the option for an additional year is exercised and additional \$100.00 per net acre will be paid.

Lessee: Interstate Oil Company II

Comments: Moccasin Bend Mental Health Institute is successor in interest to Elizabeth Venable Weathford.

SSC Report: 03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 03-24-08. Charles Garrett presented the transaction. He introduced Cindy Tyler of the Department who gave a brief summary of the situation. After discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND/BUILDING ITEM

Review of a request for APPROVAL of the following PURCHASE of interest in real property WAIVER of ONE APPRAISAL & ADVERTISEMENT as required by TCA 4-15-102 and 12-2-12.

Description: Davidson County – 11.42 +/- acres with 136,358 sf main office building, 6,870 sf garage, and 1,440 sf shop located at 665 Mainstream Drive, Nashville, TN – Trans. No.

Purpose: Purchase office building in Metro Center for the Department of General Services to relocate MVM operations from Charlotte Avenue and General Services operations from the Tennessee Tower.

Estimated Sale Price: \$10,500,000 (Property appraised for \$13,500,000 in February of 2008 and RPA will start negotiations at \$10,500,000.)

Grantee: Piedmont Nashville Gas Company

SC Action: 03-24-08. Charles Garrett presented the transaction and referenced the supporting documents included in the agenda. He said they would like approval to enter into negotiations with Piedmont Nashville Gas Company and make an offer for \$10.5 million. Secretary of State Darnell asked what has the gas company offered to the State, and was told that they have not offered anything yet. Treasurer Sims commented that they are looking to sell. Mr. Garrett said that their consultants had looked at the property and Real Property Administration thinks it is a good deal for the State. He said they are asking for \$14 million and have an appraisal for \$13.5 million. Treasurer Sims asked if there was a commitment over and above the \$14 million in order to tailor the space for the State. Mr. Garrett commented that anything they did would require customization of the facilities. Commissioner Goetz commented that the Commissioner of General Services has issues about moving out from downtown. After further discussion, the Subcommittee approved proceeding with negotiations with Piedmont Natural Gas Company.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SPECIAL ITEM

- 1) State Architect Mike Fitts discussed the Executive Order and scope of the **Tennessee Wireless Interoperable Network (TNWIN)** project. He said the total project would involve the construction of some radio towers with accompanying equipment buildings. He said the issue has raised concerns relative to required State Building Commission oversight. He said the options would be to (1) treat the contract as a SBC project with conformance to SBC policy and procedures; (2) delegate to Real Property Administration and State Architect the right to review and approve the plans and specifications for the towers and equipment buildings; and (3) SBC have no involvement and consider that the procurement as not appropriate to fall under SBC jurisdiction. After discussion, the Subcommittee took the position as defined in Option 2, and delegated authority to Real Property Administration and the State Architect.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Tipton County – 722 & 725 Highway 51, Covington, TN – Trans. No. 06-02-910 (AL)

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs.)

Proposed Amount:	<u>7,381 Square Feet</u>		
	Annual Contract Rent:	\$73,788.10	@\$10.00/sf
	Est. Annual Utility Cost:	\$10,333.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,119.10</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$92,240.60	@\$12.50/sf

Current Amount:	<u>8,175 Square Feet</u>		
	Annual Contract Rent:	\$44,962.11	@\$5.50/sf
	Est. Annual Utility Cost:	\$11,445.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,992.50</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$65,399.61	@\$8.00/sf

Type: New Lease – received four (4) proposals from four (4) proposers.

FRF Rate: \$14.00

Purchase Option: No

Lessor: Joe Naifeh, current lessor

Comment: Ten (10) year lease. No cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter.

SC Action: 03-24-08. Charles Garrett brought up the request from the floor. Subcommittee approved the transaction as presented.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Tipton County – 973 Highway 51 Bypass, Covington, TN – Trans. No. 06-03-911 (AL)**

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2013 (5 yrs.)

Proposed Amount:	<u>3,500 Square Feet</u>		
	Annual Contract Rent:	\$27,825.00	@ \$ 7.95/sf
	Est. Annual Utility Cost:	\$ 3,850.00	@ \$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,850.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$35,525.00	@ \$10.15/sf

Current Amount:	<u>2,725 Square Feet</u>		
	Annual Contract Rent:	\$14,987.37	@ \$5.50/sf
	Est. Annual Utility Cost:	\$ 3,815.00	@ \$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,997.50</u>	<u>@ \$1.10/sf</u>
	Total Annual Effective Cost:	\$21,799.87	@ \$8.00/sf

Type: New Lease – Received four (4) proposals from four (4) proposers.

FRF Rate: \$14.00

Purchase Option: No – multi tenant

Lessor: C K Partners

Comment: Five (5) year lease with no purchase option multi-tenant property. No cancellation except for cause and/ or lack of funding.

SC Action: 03-24-08. Charles Garrett brought up the request from the floor. Subcommittee approved the transaction as presented.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on February 25, 2008.

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There being no further business, the meeting adjourned at 11:20 a.m.

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – 0.01 acre or 628 +/- sq. ft. – Chattanooga, TN – Trans. No. 08-02-019 (FB)</u>
Purpose:	Disposal by easement to lay a 12" water main to service the UTC Wellness Center.
Estimated Sale Price:	Mutual Benefits
Grantee:	Tennessee American Water Company
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

B.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – 0.06 acre or 2,862 +/- sq. ft. – Chattanooga, TN – Trans. No. 08-02-020 (FB)</u>
Purpose:	Disposal by easement for a permanent easement for sanitary sewer and a temporary construction easement for said sewer adjoining property known as Engel Stadium.
Estimated Sale Price:	N/A
Grantee:	City of Chattanooga
SSC Report:	03-17-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

C.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Shelby County – 0.09 +/- acres – Memphis Health Science Center, Memphis, TN – Trans. No. 08-02-022 (GM)</u>
Purpose:	Disposal in fee for a loading dock construction.
Original Cost to State:	unknown
Date of Original Conveyance:	unknown
Estimated Sale Price:	Mutual Benefits
Grantee:	Memphis Bioworks Foundation
Comment:	State to retain easement for joint use and reversion for non-performance.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

D.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Shelby County – 0.08 +/- acres – Memphis Health Science Center, Memphis, TN – Trans. No. 08-02-023 (GM)</u>
Purpose:	Disposal in fee for a loading dock construction.
Original Cost to State:	unknown
Date of Original Conveyance:	unknown
Estimated Sale Price:	Mutual Benefits
Grantee:	Memphis Bioworks Foundation
Comment:	State to retain easement for joint use and reversion for non-performance.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

E.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property with WAIVER of ADVERTISEMENT and APPRAISALS, not to exceed the appraised value for the property being acquired:

Description:	<u>Shelby County – Memphis Health Science Center, Memphis, TN – Trans. No. 08-02-024 (GM)</u>
Purpose:	Acquisition by easement to access loading dock at Memphis Bioworks
Source of Funding:	University of Tennessee
Estimated Cost:	Mutual Benefits
Owner(s):	Memphis Bioworks Foundation
SSC Report:	03-17-08. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

F.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County – 1803 Jordan Avenue, Murfreesboro, TN – Trans. No. 08-02-017 (AM)</u>
Purpose:	Acquisition in fee to purchase the property. The property is in the Master Plans.
Source of Funding:	Auxiliary Funds
Estimated Cost:	\$150,000.00
Owner(s):	Mark Donnell
Comment:	The property will be rented until needed for future expansion.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

G.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Washington County – 0.433 +/- acres – tracts 6 & 7 – Bristol, TN – Trans. No. 08-02-028 (BW)</u>
Purpose:	Disposal in fee for development of the property and assemblage.
Original Cost to State:	Tract 6 cost the State \$149,090.00 Tract 7 cost the State \$ 6,034.00 Total cost: \$155,124.00
Date of Original Conveyance:	January 8, 2007
Grantor Unto State:	Hamilton Place, LLC
Estimated Sale Price:	Fair Market Value
Grantee:	Betty Treadwell / Hamilton Place LLC
Comment:	Property will be used for construct SR-381 and is now excess property.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF CORRECTION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Morgan County – Flat Fork Road, Wartburg, TN – Trans. No. 08-02-013 (RJ)</u>
Purpose:	Disposal by easement for Tennessee Stream Mitigation Program proposes a permanent 50-foot conservation easement. Primary purpose is to improve water quality, aquatic & riparian habitat and to make stream self adjusting and self maintaining.
Estimated Sale Price:	Gift
Grantee:	Morgan County Correctional Complex
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to I-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

I.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Cumberland County – 388.0 +/- acres – Crossville, TN – Trans. No. 07-05-026 (GM)

Purpose: Acquisition in Fee for continuance of the Cumberland Trail State Scenic Trail between Brady Mountain & Piney River. Provides an important trailhead at the midpoint with facilities for lodging, camping, administrative offices and maintenance building.

Source of Funding: TEA – 21 Viewshed (Federal Grant)
Natural Resources Trust Fund
TN Heritage Conservation Trust Fund

Estimated Cost: Fair Market Value

Owner(s): Twelve Oaks Co. (Mark McWhorter) / The Tennessee Parks & Greenway Foundation

SSC Report: 06-18-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 06-25-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

Further approval request: Allow Agency to reimburse Non-Profit for actual expenses incurred in acquiring property of \$97,315.

Also source of funding change:

RTP- Federal: \$947,532.00
Natural Resource Trust Funds: \$236,883.00
State Land Acquisition Funds: \$992,060.00

SSC Report: 03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Polk County – 80 +/- acres – Gee Creek Campground, Benton, TN – Trans. No. 08-02-027 (FB)</u>
Purpose:	Acquisition by Lease to renewal Recreational lease of Gee Creek Campground & maintenance area with the TVA
Source of Funding:	State Lands Acquisition Funds
Estimated Cost:	\$5,000.00
Owner(s):	TVA
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

K.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Fayette County – 28 +/- acres – LaGrange City, TN – Trans. No. 08-02-007 (RJ)</u>
Purpose:	Disposal by easement for the purpose of the Tennessee Stream Mitigation Program (TSMP) is to identify, develop, fund and implement stream restoration and enhancement projects to Tennessee's aquatic resources. TWRA & TSMP have developed a restoration project on the Wolf River WMA.
Estimated Sale Price:	Gift
Grantee:	Tennessee Wildlife Resources Foundation
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Fayette County – 105.90 +/- acres – Piperton City, TN – Trans. No. 08-02-009 (RJ)</u>
Purpose:	Acquisition in fee for the property will be Wetland addition to the Wolf River WMA.
Source of Funding:	TWRA - \$40,039 Private donations - \$75,000
Estimated Cost:	Fair Market Value
Owner(s):	Wolf River Conservancy
Comment:	State will receive a grant of \$75,000 from private donations to assist in acquisition.
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of APPRAISAL not to exceed the appraised value for the property being acquired:

Description:	<u>Franklin County – 874 +/- acres – Winchester City, TN – Trans. No. 08-02-014 (RJ)</u>
Purpose:	Acquisition in fee for the property will be addition to the existing Bear Hollow Mountain WMA. Land will be used for wildlife oriented recreation.
Source of Funding:	TWRA - \$18,000
Estimated Cost:	Gift
Owner(s):	The Nature Conservancy
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Blount County – 30 +/- acres – Maryville City, TN – Trans. No. 08-02-029 (RJ)</u>
Purpose:	Acquisition by easement for TWRA currently has a boat access point next door to this property the additional land will allow expansion of TWRA's boat ramp.
Source of Funding:	TWRA - \$15,000
Estimated Cost:	Gift
Owner(s):	TN. Valley Authority
SSC Report:	03-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.
SC Action:	03-24-08. Subcommittee approved the transaction as presented.

O.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – Lot 3, Western Avenue, Knoxville, TN – Trans. No. 07-03-901 (JS)

Purpose: To provide office space for Knoxville consolidation

Term: July 1, 2009 thru June 30, 2019 (10 yrs)

Proposed Amount:	<u>55,000 Square Feet</u>		
	Annual Contract Rent:	\$615,000.00	@\$11.18/sf
	Est. Annual Utility Cost:	\$ 77,000.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 60,500.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$752,500.00	@\$13.68/sf

Current Amount:	<u>13,501 Square Feet</u>		
	Annual Contract Rent:	\$148,478.04	@\$11.00/sf
	Est. Annual Utility Cost:	\$ 18,901.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost: only		
	6,083sf	<u>\$ 6,691.30</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$174,070.74	@\$13.58/sf

Current Amount: 22,179 sf at 531 Henley St. & 4,293 sf at 3738 Middlebrook Pike both are State space

Type: New Lease – Received three (3) proposals from three (3) proposers.

FRF Rate: \$18.00

Purchase Option: Yes – 1 thru 10

Lessor: Cambridge Development, GP

Comment: Ten (10) year lease with a purchase option for a stand alone build-to-suit facility. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter.

SSC Report: 03-17-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 03-24-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Demolition of Structure** at 205 N. Baird Lane adjacent to Middle Tennessee State University, Murfreesboro, Tennessee.

Estimated Project Cost: **\$25,000.00**
SBC Project No. 166/009-02-2008

Q.

TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Demolition of Structure** at 2715 Middle Tennessee Blvd adjacent to Middle Tennessee State University, Murfreesboro, Tennessee.

Estimated Project Cost: **\$35,000.00**
SBC Project No. 166/009-03-2008

R.

UNIVERSITY OF TENNESSEE

AGRICULTURAL EDUCATION CENTER EXPERIMENT STATION, ROBERTSON COUNTY, TENNESSEE

- 1) Approved a project for **Demolition of Structure** located at the Highland Rim Research and Education Center in Springfield, Tennessee.

Estimated Project Cost: \$0.00
SBC Project No. 540/001-01-2008

Approved by:

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration